

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Vasconcellos Analyst: Kristina E. North Bill Number: SB 1082

Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: May 31, 2001

Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** California Fund for Senior Citizens/Maximum Contribution Amount Must be Met Beginning Taxable Year 2003

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

☒ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended May 17, 2001.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED MAY 17, 2001, STILL APPLIES.

☒ OTHER - See comments below.

## SUMMARY

This bill would require the repeal of the California Fund for Senior Citizens if the fund fails to meet the \$250,000 minimum contribution amount requirement.

This bill also would state legislative intent to support the operating costs of the California Senior Legislature through a General Fund appropriation. This provision does not impact the department and is not discussed in this analysis.

## SUMMARY OF AMENDMENT

The May 31, 2001, made a change to the legislative intent provision. The department's analysis of the bill as amended May 17, 2001, still applies. The Board position and the technical concern are restated below for convenience.

## TECHNICAL CONSIDERATION

The bill is internally inconsistent regarding the amount of the minimum contribution for 2003, the first time this fund would be required to meet a minimum contribution amount. The bill identifies the minimum contribution for 2003 as both \$250,000 and as \$250,000, as adjusted for inflation. For example, if the Consumer Price Index were inflated by 4% in 2003, the fund would be required to meet a minimum contribution limit of \$260,000 instead of \$250,000. The author may wish to eliminate this inconsistency by delaying the inflation indexing provision until 2004.

Board Position:

<input checked="" type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

06/12/01

## **POSITION**

Support.

At its May 2, 2001, meeting, the Franchise Tax Board voted 2-0 to take a support position on this bill as introduced February 23, 2001, with Annette Porini, on behalf of Member B. Timothy Gage abstaining.

## **LEGISLATIVE STAFF CONTACT**

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